



**Date:** January 13, 2015

**To:** Thomas J. Bonfield, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Reginald J. Johnson, Director  
Department of Community Development  
**Subject:** FY 2014-2015 Emergency Solutions Grant and City General Funds  
Housing for New Hope, Inc. Subrecipient Contract  
Rapid Re-Housing Services

### **Executive Summary**

On December 5, 2013 the City of Durham Department of Community Development held an application workshop for vendors interested in applying for 2014-15 Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), Emergency Solutions grant (ESG) and City General Funds. The deadline for receiving applications for the 2014-15 funds was Thursday January 16, 2014. A single application from Housing for New Hope Inc. (HNH) was received for the portion of the ESG (\$79,554) and General Funds (\$200,000) set aside for Rapid Rehousing. On May 5, 2014, City Council approved the FY 2014-2015 Annual Action Plan for the City of Durham.

### **Recommendation**

The Department of Community Development (DCD) recommends that the City Council authorize the expenditure of \$79,554.00 in Emergency Solutions Grant funds and \$200,000.00 in City General funds and authorizes the City Manager to execute a contract with Housing for New Hope, Inc. in the amount of \$279,554.00 to provide rapid rehousing to households experiencing homelessness.

### **Background**

In 2009, President Obama signed the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. The HEARTH Act has shifted the response to homelessness from one that simply manages the issue at the program level to one that prevents and ends homelessness at the system level. As a result, Rapid Rehousing (RRH) has been identified as a program model that is both cost effective and efficient at ending homelessness. The City of Durham initially implemented RRH in 2009 through stimulus funding from the Homeless Prevention and Rapid Rehousing Program (HPRP). Housing for New Hope was the subrecipient for the HPRP funding implementing Durham's first RRH model. As a result of the success of HPRP nationally, the Department of Housing and Urban Development (HUD) revised regulations for its ESG program requiring funding for the RRH program type for a minimum portion of the total funding.

**Issues/Analysis**

Housing for New Hope was the sole service provider responding through the 2014-15 City ESG application process to implement RRH. HNH has demonstrated experience and capacity to implement RRH.

To date, the City investment in the Housing for New Hope Rapid Rehousing has resulted in several notable improvements in Durham's Homeless Housing System. A total of 369 persons who were experiencing homelessness were housed through the program. Of those 369 persons, 87% were persons in families that included children. The average length of time persons receive RRH program services is seven months. The program successfully negotiated with 35 different landlords and obtained 117 units of market rate rental housing in Durham for the program participants. The average rent for a two-bedroom apartment negotiated by Housing for New Hope on behalf of program participants is \$602.

As compared to other homeless housing models currently available in Durham in response to homelessness, RRH is proving effective in ending peoples' homelessness. City investment in continuing the RRH contract with Housing for New Hope is a cost effective approach to addressing homelessness in Durham.

In addition, administration of the HNH Rapid Rehousing contract aligns with Goal #3 of the City Strategic Plan in that it ensures citizens an opportunity to enter safe, affordable, and healthy housing. The administration of the contract also aligns with Goal #4 of the City Strategic Plan as it promotes strong financial management and benchmarking for results in terms of program outputs and outcomes

**Alternatives**

One alternative to contracting with the HNH is rejecting their application and seeking another agency to provide rapid re-housing assistance. However, since HNH was the sole respondent to the application process, rejecting the proposal of a qualified respondent may make the search for another organization even more difficult. In addition, addressing homelessness is one of the City's priorities.

**Financial Impacts**

ESG and the City General funds are budgeted and available for this project.

**SDBE Summary**

SDBE requirements are not applicable.